

PROPERTY ASSESSMENT APPEAL BOARD
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

PAAB Docket Nos. 2019-077-00369R

Parcel No. 171/00460-488-007

Karrie Hansotia,

Appellant,

vs.

Polk County Board of Review,

Appellee.

Introduction

The appeal came on for written consideration before the Property Assessment Appeal Board (PAAB) on August 7, 2020. Karrie Hansotia was self-represented and asked that the appeal proceed without a hearing. Assistant Polk County Attorney Jason Wittgraf represents the Board of Review.

Karrie Hansotia Revocable Trust (Hansotia) owns a residential property located at 1675 Glade Drive SW, Altoona. Its January 1, 2019 assessment was set at \$228,100, allocated as \$35,600 in land value and \$192,500 in improvement value. (Ex. B).

Hansotia petitioned the Board of Review contending the assessment was not equitable compared with the assessments of other like property. Iowa Code § 441.37(1)(a)(1). (Ex. C). The Board of Review denied the petition.

Hansotia then appealed to PAAB re-asserting her claim.

Findings of Fact

The subject property is a one-story townhome built in 2008. It has 1528 square feet of gross living area; 836 square feet of average-plus basement finish; two

fireplaces; a deck; and a 456 square-foot two-car garage. The improvements are listed as a 3-05 grade (Good Quality) and in normal condition. The site is 0.085 acres. (Ex. A).

Hansotia asserts her assessment is inequitable when compared with the assessment of a neighboring townhome, 1698 Glade Drive SW. (Exs. C & 1). She describes this property as being larger in size with a third bedroom above grade, and 1000 square feet of basement finish. (Ex. 1). We note the Assessor's Office does not include any basement finish in the assessment for this property. (Ex. D). This unit has a similar site size and the same land valuation. The following table summarizes the subject property and this neighboring property.

Address	Gross Living Area (SF)	Style	Year Built	Basement Finish	Fireplaces	2019 Assessed Value
Subject	1528	1 Sty	2008	836	2	\$228,100
1 –1698 Glade Dr SW	1814	1.5 Sty	2005	0	1	\$227,700

The Board of Review submitted the cost sheet for the subject property and comparable townhome. (Exs. A & D). We note 1698 Glade Drive SW is different in design and three years older than the subject. An older property will typically suffer from additional physical depreciation resulting in a lower assessed value. Here we note the comparable has 6% physical depreciation, whereas the subject has 5% physical depreciation. (Exs. A & D). Additionally, the subject has more first-floor main living area, which tends to have greater value than upper-level living area. The other major differences in the assessment of the subject and the comparable are the subject's larger basement and additional fireplace as well as the assessment of basement finish. The subject has an additional fireplace with a replacement cost new¹ (RCN) of \$6380, and basement finish accounting for \$24,244 of RCN. Hansotia explained her basement was finished for less than \$8000 including labor and asserts this shows the RCN for these items is too high.² (Ex. 1).

¹ RCN is the value *before* depreciation and neighborhood adjustments.

² The actual value of the basement finish in the assessment is approximately \$18,656, after depreciation and neighborhood adjustments.

Hansotia stated the comparable sold in October of 2018 for \$229,500. (Appeal to PAAB). There is no evidence in the record to verify the sale price and sale date, or if it is a normal transaction. However, if the sale price Hansotia reports is accurate and the transaction was normal, the property would have an assessment-to-sale-price ratio of 0.99, indicating it is assessed very close to its market value.

The subject property has not recently sold and Hansotia did not provide an opinion of the actual value of her property as of January 1, 2019.

Analysis & Conclusions of Law

Hansotia contends the subject property is inequitably assessed as provided under Iowa Code section 441.37A(1)(a)(1). She bears the burden of proof. § 441.21(3).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993).

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides that inequity exists when, after considering the actual values (2018 sales) and assessed values (2019 assessments) of comparable properties, the subject property is assessed at a higher portion of its actual value. A comparison of assessed values is insufficient to prevail on an inequity claim under *Maxwell*.

Iowa Code section 441.37(1)(a)(1) requires more than one comparable to establish inequity. *Crary v. Boone Bd. of Review*, 286 N.W. 428 (Iowa 1939); *Miller v. Property Assessment Appeal Board*, 2019 WL 3714977 *4 (Iowa Ct. App. Aug. 7, 2019). Here, Hansotia submitted only one comparable and her claim must fail for that reason alone.

Despite this, we note the comparable Hansotia submitted, which she asserts sold in 2018 for \$229,500, would have an assessed-value-to-sale-price ratio of 0.99. A ratio of 1.00 suggests assessed values are near or at market value.

Finally, the *Maxwell* analysis also requires a ratio to be developed for the subject property. The subject property did not recently sell, nor did Hansotia offer evidence of its January 1, 2019 market value that is consistent with section 441.21.³ Thus we cannot complete the *Maxwell* analysis. As such, the record is insufficient to determine if the subject property is assessed at a higher proportion of its actual value when compared to the one comparable offered.

Viewing the record as a whole, we find Hansotia failed to support her claim.

Order

PAAB HEREBY AFFIRMS the Polk County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2019).

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

³ Iowa Code section 441.21 requires that a property's assessed value be determined, first and foremost, by sales of the subject property or comparable properties.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



Dennis Loll, Board Member



Elizabeth Goodman, Board Member



Karen Oberman, Board Member

Copies to:

Karrie Hansotia
1675 Glade DR SW
Altoona, Iowa 50009

Polk County Board of Review by eFile